Continuous Risk Management Summary Card

Continuous Risk Management (CRM) Definitions		
	CONTINUOUS RISK MANAGEMENT (CRM) – A management practice with processes, methods, and tools for managing risks in a program or project. **RISK** – is characterized by the combination of the **Likelihood/Probability** that a program or project will experience an undesired event (some examples include a cost overrun, schedule slippage, safety mishap, health problem, malicious activities, environmental impact, failure to achieve a needed scientific or technological breakthrough or mission success criteria) and the **consequences, impact, or severity** of the undesired event, were it to occur.	**LIKELIHOOD** – the probability that the risk will occur. **CONSEQUENCE** – the loss or effect on the program/project if the risk occurs. **TIMEFRAME** – the period when action must be taken to handle the risk mitigation plan. **COST** – a program/project cost issue that directly/indirectly impacts the program/project budget. **SAFETY** – a program/project safety issue that directly impacts the program/project. **SCHEDULE** – a program/project schedule issue that directly impacts the program/project. **TECHNICAL** - a program/project technical issue that directly impacts the program/project.

TIMEFRAME

The time period to mitigate the risk.

- Near – within the next 3 months
- Mid-Term – between 4 - 8 months
- Far – beyond 8 months

LEGEND

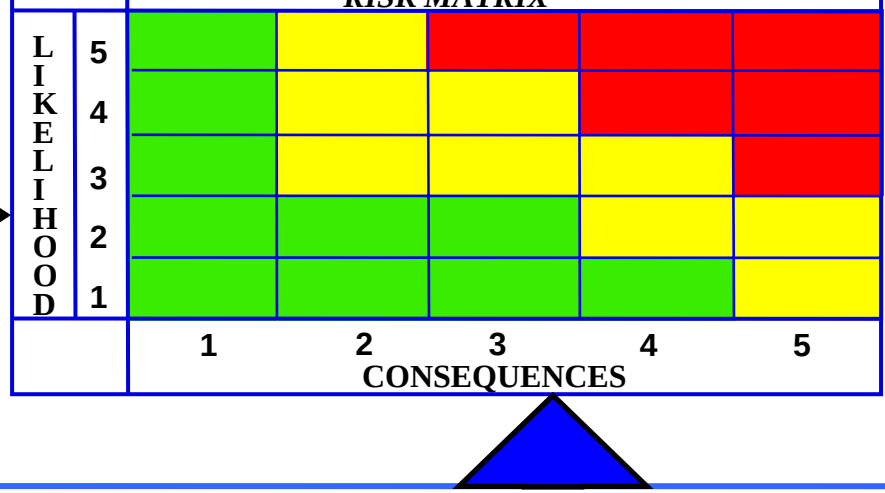
- High – Implement new processes or change baseline plans
- Moderate – Aggressively manage; consider alternative process
- Low – Track and Monitor

LIKELIHOOD

What is the likelihood the situation or circumstance will happen?

Level	Probability	… or the current process ….
5	Very High	cannot prevent this event, no alternative approaches or processes are available.
4	High	cannot prevent this event, but a different approach or process might.
3	Moderate	may prevent this event, but additional actions will be required.
2	Low	is usually sufficient to prevent this type of event.
1	Very Low	is sufficient to prevent this event.

RISK MATRIX



Sample data - What is the Consequence (Cost, Schedule, Safety, or Technical) of this Risk? – Sample data

CONSEQUENCE

Level	1	2	3	4	5
Cost	Minimal or no Impact	Budget Increase < 5%	Budget Increase > 5%	Budget Increase >10%	Budget Increase >15%
Schedule	Minimal or no Impact	Additional activities required. Able to meet date.	Key Program Milestone Slip<=1 Month	Key Program Milestone Slip>1 Month, or Program Critical Path impacted	Cannot achieve Major Program milestone
Technical	Minimal or no Impact	Moderate reduction, same approached retained	Moderate reduction but alternatives available	Major reduction but alternatives available	Unacceptable, no alternatives exist
Safety	•No Safety and Health Plan Violation •No adverse hazard or reliability change •Full regulatory compliance	•Documented CIL •Change in hazard controls but no increase in PRA •Minor violation of Federal or State regulations •<10% decrease in reliability	•CIL without acceptance rationale •Change in hazard controls but with increase in PRA •Violation of Federal or State regulations •10-20% decrease in reliability	•Major but temporary injury •Potential damage to assets •Multiple violations of Federal or State regulations •>20% decrease in reliability	•Potential for permanent injury or death •Loss of Critical assets •Willful or major violations of Federal or State regulations

Continuous Risk Management Process Flow

Feedback Loop | Documentation Loop | Process Loop

Individual Uncertainties

Group/Team Uncertainties

Program/Project Data

1. Identify

A. Risk Statement Definition
Given the *Condition*, there is a possibility that this *Consequence* will occur.

Risk Database
B. Program/Project Risks Lists

2. Analyze

A. Risk Attributes
- Likelihood
- Consequence
- Timeframe

as determined by Program/Project

Risk Database
B. Create Master Risks Lists

C. Classify & Prioritize Risks Lists
Concern | Concern
Risk | Risk

Resources

Program/Project Goals & Constraints

3. Plan

A. Assign Responsibility & Plan Approach

Research	Mitigate	Transfer
Watch	Accept	

Set Scope & Success Metrics

B. Develop Action Plans

C. Risk & Mitigation Plan Metric

Program/Project Data

Resources

4. Track

A. Status Reports Risk & Mitigation Plans

B. Collect Metrics

Set Triggers	Strategize Mitigation
Set Thresholds	Create Mitigation Plans
Watch Trends	Track Mitigation Plans
Track Risk Attributes	Report Risk Status

5. Control

Program/Project Data

A. Analyze Risk Reports and determine the next step:
- Continue current plan
- Update/Correct Current Plan
- Close the risk
- Invoke a risk Contingency Plan

Then make risk decisions known

B. Inform Decision Makers by:
- Updating risk list/database
- Keep Program/Project members informed

6. Communicate & Document

Risk Database
A. Create/Update Risk List
B. Create/Update Risks Matrix
C. Create/Update Risk Metrics